

BUSINESS FORM 2
MARKING SCHEME
2021/2022 FORM 2 TERM 1 OPENER EXAM-AUGUST

1. a) Office practice
b) Entrepreneurship
c) Commerce
d) Accounting

2. Importance of a business plan

- a) Show amount of finance required
- b) Motivates employees
- c) It is a requirement by financiers
- d) Helps in avoiding mistakes
- e) Identifying strengths and weaknesses
- f) Determines how resources are allocated
- g) Helps in adaptability of the business

3. Characteristics of economic resources

- a) They are scarce/limited in supply
- b) Have monetary value
- c) Not evenly distributed in all regions
- d) Have utility
- e) Have multiple uses
- f) Are transferable from persons to persons
- g) Can be combined in proportion

4. Factors to consider when choosing office layout

- a) Capital required
- b) Number of employees
- c) Cost of maintenance
- d) Area covered
- e) Nature of the organization

- f) Government policy/law

5. Renewable and non-renewable resources

- a) Renewable
- b) Non- renewable
- c) Renewable
- d) Non-renewable

6. Identify the office etiquette described in the following statements.

	Statement	Office Etiquette
a)	Handling people politely, pleasantly and with consideration	<i>courtesy</i>
b)	Being committed to the organization one is working for	<i>loyalty</i>
c)	Performing duties with excellence, precision and correctness	<i>accuracy</i>
d)	Ability to keep time in attending duties and appointments	<i>punctuality</i>

7. way through which each of the following types of utility may be created in production. (4 marks)

- (a) Time utility: *when goods are **stored** for future use*
- (b) Form utility: *goods are **processed** to more usable state*
- (c) Place utility: *goods are **transported** from where they are produced to where they are needed*
- (d) Possession utility: *goods are **traded** or **exchanged** for other goods or for money*

8. Reasons why a consumer should satisfy basic wants before secondary wants.

- a) Basic human wants are essential for survival/consumer cannot do without them.
- b) Consumer have limited resources
- c) Basic human wants can't be postponed.
- d) All basic human wants are felt needs. (any 4 x 1 = 4mks

9. External environment

- a) Legal political environment
- b) Economic environment
- c) Demographic environment

- d) Physical environment
- e) Competitive environment
- f) Technological environment

10. a) Credit note

b) Acknowledgment note

c) Letter of inquiry

d) Consignment note

11. **Characteristics of indirect production**

a) Low quantity production

b) Low quality production

c) Encourages individualism

d) Leads to low standards of living

e) Can be very tiring

f) Does not encourage innovation and invention

g) time wasting moving from one job to another

12. **Circumstances under which cheque payment would be preferred most than cash payment.**

(a) Where lump sum/huge funds are involved.

(b) Where security is attached on money involved in transaction.

(c) In case evidence of payment is required by a business (written evidence)

(d) Where references are required in future for payment made.

(e) In case privacy of carrying money is needed by organization/business.

(f) In case it's the policy of the business to be making payments using cheques.

13. **Characteristics of a departmental store.**

(4mks)

i) Offer a wide variety of goods at relatively lower prices

ii) They are attractive and convenient to shop in.

iii) They are usually situated in town centers

- iv) They may provide services such as restaurants, reading rooms and post office.
- v) Each department is managed by a departmental manager dealing in a different line of goods.

14. Factors that contribute to the success of business (1x4)

- (a) Good and technical skills of the owner in managing the business
- (b) Good record keeping
- (c) Good customer relations
- (d) Government support
- (e) Adopting modern technology
- (f) Availability of market
- (g) Little or no competition

15. Characteristics of a service

- i) Intangible
- ii) Cannot be stored
- iii) Quantity cannot be standardized
- iv) Inseparable from the provider
- v) .

16. Features of a good filing system.

- (a) Should occupy less space/compactness.
- (b) Should be simple and easy to understand/simplicity.
- (c) Should protect document from loss, misplacement, theft and destruction/safety.
- (d) Should be capable of expansion/elasticity.
- (e) Should be appropriate to the needs of the organization/suitability.
- (f) Should not be expensive to start and to maintain/economical.
- (g) Should be easy to retrieve information without disturbing other documents/ accessibility. (Any 4 x 1 = 4 marks)

17. Roles of an entrepreneur in production.

- (a) Starts the business/project.
- (b) Controls the production process.

- (c) Makes the decision on what to produce and when to produce it.
- (d) Acquires and pays for all the factors of production.
- (e) Bears all the risks
- (f) Enjoys the profit
- (g) Pays all the expenses
- (h) Owns the whole project(4 marks)

18. **Benefits of studying business** (2mks)

- a) Equips one with skills to start and run a business
- b) It is a career subject
- c) Helps one to understand the role of government in business.
- d) Assists one to appreciate the role of business in provision of goods and services
- e) Makes one appreciate the need for good management practices
- f) Helps one develop a positive attitude towards environment
- g) Equips one with knowledge to evaluate business performance
- h) helps one understand the role of communication and information technology in modern business management